

Central Intelligence Agency



Washington, D.C. 20505

30 DEC 1988

The President
The White House
Washington, D.C. 20500

Dear Mr. President:

As required by the Federal Managers' Financial Integrity Act of 1982 (P.L. 97-255), this is my report to you on the systems of internal accounting and administrative controls of the Central Intelligence Agency (CIA), the Intelligence Community Staff (ICS), and the Systems Integration Office (SIO) in effect for Fiscal Year 1988.

An evaluation of these systems was performed in reasonable accordance with the guidelines issued by the Office of Management and Budget. Senior officials in reporting the results of their respective evaluations were required to also evaluate the substance of findings of internal management reviews, staff reporting, and audit or inspection reports. No material weakness in Agency systems of internal accounting and administrative controls was identified in any of these evaluations.

I am satisfied based upon the written certifications of responsible senior officials and evaluations of the findings of inspections and audits by the Office of the Inspector General that the CIA, ICS, and SIO systems of internal accounting and administrative controls provide reasonable assurance that:

- (a) obligations and costs comply with applicable law;
- (b) all assets are safeguarded against waste, loss, unauthorized use, and misappropriation; and
- (c) revenues and expenditures applicable to Agency operations are recorded and accounted for properly so that accounts and reliable financial and statistical reports may be prepared and accountability of the assets may be maintained.

The President

I further report to you that, to the best of my knowledge based upon the evaluation and written assurance of the responsible senior official, the accounting system of the Agency, which also supports ICS and SIO, substantially conforms with the principles, standards, and requirements prescribed by the Comptroller General.

Statements similar to this one are being provided to the Chairmen of the Senate Select Committee on Intelligence and the House Permanent Select Committee on Intelligence.

Sincerely yours,

/s/ William H. Webster

William H. Webster
Director of Central Intelligence

Central Intelligence Agency



Washington, D.C. 20505

30 DEC 1988

The Honorable Louis Stokes
Chairman
Permanent Select Committee on Intelligence
House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

As required by the Federal Managers' Financial Integrity Act of 1982 (P.L. 97-255), this is my report to you on the systems of internal accounting and administrative controls of the Central Intelligence Agency (CIA), the Intelligence Community Staff (ICS), and the Systems Integration Office (SIO) in effect for Fiscal Year 1988.

An evaluation of these systems was performed in reasonable accordance with the guidelines issued by the Office of Management and Budget. Senior officials in reporting the results of their respective evaluations were required to also evaluate the substance of findings of internal management reviews, staff reporting, and audit or inspection reports. No material weakness in Agency systems of internal accounting and administrative controls was identified in any of these evaluations.

I am satisfied based upon the written certifications of responsible senior officials and evaluations of the findings of inspections and audits by the Office of the Inspector General that the CIA, ICS, and SIO systems of internal accounting and administrative controls provide reasonable assurance that:

- (a) obligations and costs comply with applicable law;
- (b) all assets are safeguarded against waste, loss, unauthorized use, and misappropriation; and
- (c) revenues and expenditures applicable to Agency operations are recorded and accounted for properly so that accounts and reliable financial and statistical reports may be prepared and accountability of the assets may be maintained.

The Honorable Louis Stokes

I further report to you that, to the best of my knowledge based upon the evaluation and written assurance of the responsible senior official, the accounting system of the Agency, which also supports ICS and SIO, substantially conforms with the principles, standards, and requirements prescribed by the Comptroller General.

Statements similar to this one are being provided to The President and the Chairman of the Senate Select Committee on Intelligence.

Sincerely yours,

/s/ William H. Webster

William H. Webster
Director of Central Intelligence

Central Intelligence Agency



Washington, D.C. 20505

30 DEC 1988

The Honorable David L. Boren
Chairman
Select Committee on Intelligence
United States Senate
Washington, D.C. 20510

Dear Mr. Chairman:

As required by the Federal Managers' Financial Integrity Act of 1982 (P.L. 97-255), this is my report to you on the systems of internal accounting and administrative controls of the Central Intelligence Agency (CIA), the Intelligence Community Staff (ICS), and the Systems Integration Office (SIO) in effect for Fiscal Year 1988.

An evaluation of these systems was performed in reasonable accordance with the guidelines issued by the Office of Management and Budget. Senior officials in reporting the results of their respective evaluations were required to also evaluate the substance of findings of internal management reviews, staff reporting, and audit or inspection reports. No material weakness in Agency systems of internal accounting and administrative controls was identified in any of these evaluations.

I am satisfied based upon the written certifications of responsible senior officials and evaluations of the findings of inspections and audits by the Office of the Inspector General that the CIA, ICS, and SIO systems of internal accounting and administrative controls provide reasonable assurance that:

- (a) obligations and costs comply with applicable law;
- (b) all assets are safeguarded against waste, loss, unauthorized use, and misappropriation; and
- (c) revenues and expenditures applicable to Agency operations are recorded and accounted for properly so that accounts and reliable financial and statistical reports may be prepared and accountability of the assets may be maintained.

The Honorable David L. Boren

I further report to you that, to the best of my knowledge based upon the evaluation and written assurance of the responsible senior official, the accounting system of the Agency, which also supports ICS and SIO, substantially conforms with the principles, standards, and requirements prescribed by the Comptroller General.

Statements similar to this one are being provided to The President and the Chairman of the House Permanent Select Committee on Intelligence.

Sincerely yours,

/s/ William H. Webster

William H. Webster
Director of Central Intelligence

Declassified in Part - Sanitized Copy Approved for Release 2012/11/06 :
CIA-RDP90M00005R000100040002-0

MEMORANDUM FOR: Judge

Attached for your signature are letters to the President and the two Congressional Oversight Chairmen reporting that, based on written certification of responsible senior managers, the Agency, Intelligence Community Staff, and the Systems Integration Office (formerly NIESO) meet the requirements delineated in the Federal Managers' Financial Integrity Act of 1982. These are pro forma letters and you will recall you signed similar ones last year at this time.

STAT

21 December 1988

Date

Declassified in Part - Sanitized Copy Approved for Release 2012/11/06 :
CIA-RDP90M00005R000100040002-0

~~ADMINISTRATIVE - INTERNAL USE ONLY~~DDA 88-2572
13 December 1988MEMORANDUM FOR: ~~Executive Assistant to the DCI~~ *DCI* *LCR*

FROM:

Executive Assistant to the DDA

STAT

SUBJECT: Agency Reporting Procedures - Federal Managers' Financial Integrity Act of 1982

1. The purpose of this memorandum is to outline the Agency process which resulted in the presentation to you of the report to the President and the Congress required by the Federal Managers' Financial Integrity Act of 1982. Such reporting concerns the effectiveness of the Agency's systems of internal accounting and administrative controls and accounting system conformance with the principles, standards, and related requirements prescribed by the Comptroller General.

2. Agency procedures for this process were as follows:

a. The Directors of the Intelligence Community Staff (ICS) and the Systems Integration Office (SIO) prepared statements which assessed the operation of internal accounting and administrative controls within their organization during the past fiscal year. These reports were submitted to the Deputy Director of Central Intelligence through the Inspector General (IG).

b. CIA Deputy Directors reported as in paragraph a. above except their submissions were to the Executive Director (EXDIR) through the Deputy Director for Administration (DDA). These reports were based upon submissions to the Deputy Directors from the chiefs of components within the Directorates.

c. The Director of Financial Management prepared a statement as to the proper recording and accounting for revenues and expenditures applicable to Agency operations. This statement was submitted to the EXDIR through the DDA.

d. The DDA accumulated the statements of the Deputy Directors, heads of independent offices, and the Director of Financial Management and forwarded these statements to the IG for review.

e. The IG reviewed the statements received from SIO, ICS, and the DDA and indicated concurrence based upon inspection and audit activities conducted during the past fiscal year.

~~ADMINISTRATIVE - INTERNAL USE ONLY~~

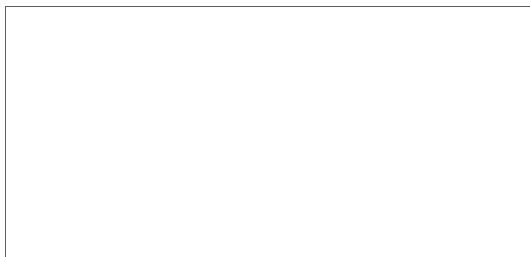
ADMINISTRATIVE - INTERNAL USE ONLY

SUBJECT: Agency Reporting Procedures - Federal Managers' Financial Integrity
Act of 1982

3. I have attached copies of certifications from the IG, each of the Deputy Directors, the DCI area, ICS and SIO. Also attached are the letters to the President, Senator Boren, and Congressman Stokes for the DCI's signature. These are due by 31 December 1988.

STAT

Attachments:
As Stated



ADMINISTRATIVE - INTERNAL USE ONLY

~~SECRET~~

IG 88-1288

8 December 1988

MEMORANDUM FOR: Deputy Director for Administration

FROM: William F. Donnelly
Inspector General

SUBJECT: Reporting Required by the Federal Managers'
Financial Integrity Act for Fiscal Year 1988

1. Forwarded herewith are the certifications from the Deputy Directors, heads of independent offices, the Intelligence Community Staff and the Systems Integration Office, as required by legislation. Each of these managers has assessed the internal controls in his organization and has provided written assurance that these controls are effective. I have reviewed these assurances in light of inspections, investigations, and audits conducted during FY 1988. My conclusions are contained below.

2. Based on the information available to me, I conclude that the internal accounting and other administrative control procedures of the Agency provide management with reasonable assurance that obligations and costs are in compliance with applicable law; that funds, property, and other assets are safeguarded against waste, unauthorized use, or misappropriation; and that revenues and expenditures are properly recorded and accounted for to permit the preparation of accounts and reliable financial and statistical reports and to maintain accountability over assets.

3. During FY 1988, my Office conducted a number of inspections of Agency components and special issues. The inspection reports generally included suggestions and recommendations for management improvements, but none of these identified any significant problems concerning Agency control systems and accountability.

4. The conclusions contained in paragraph two above are supported by the annual report of the Deputy Inspector General for Audit. He states that in FY 1988 the Audit Staff conducted 80 audits out of a universe of 226 auditable entities. The audit reports contained 181 formal recommendations, a substantial number of which were resolved during the process of the audit. Of the 181 formal recommendations, 156 concerned

CL BY Signer
DECL OADR


~~SECRET~~

SECRET

compliance with regulatory requirements, while six were directed toward more economical or efficient ways of achieving results, and 19 involved policy matters. All of the recommendations have been addressed in responses from the entities audited. Steps have been taken to implement the recommendations or alternative action has been proposed to achieve the desired results. We identified a number of areas in which existing controls needed some strengthening. However, we did not identify any compliance issues that could not be corrected by applying existing Agency control mechanisms properly.

5. Based on the above, I recommend that a negative report be prepared and sent to the President and our Oversight Committees as required by the Federal Managers' Financial Integrity Act of 1982.

25X1


William F. Donnelly *WFD*

Attachment:
As stated

Regrade as CONFIDENTIAL when
separated from Attachment.

CL BY Signer
DECL OADR

SECRET

DDA 88-2458/1

30 NOV 1988



MEMORANDUM FOR: Executive Director

FROM: R. M. Huffstutler
Deputy Director for Administration

SUBJECT: Federal Managers' Financial Integrity Act

REFERENCE: Internal Accounting and Administrative
Control Systems

STAT

1. As required by reference, I have made an assessment of the operation of the internal accounting and administrative controls for all activities for which I am responsible.

2. In making that assessment, I have given full consideration, as required by paragraph e(1)(a) of reference, to the substance of findings of internal management reviews, staff reporting, audit or inspection reports received during the year, and of reported preliminary findings of significance from reviews, audits, or inspections of process. Particular attention has been given to any findings relating to:

a. alleged waste, loss, unauthorized use, or misappropriation of resources; and

b. activities or proposed activities perceived to raise possible question of compliance with law, Executive Order, or regulation, or that may otherwise appear improper.

3. None of the findings resulted in identification of a control weakness of sufficient materiality to warrant reporting as a material weakness in internal accounting and administrative controls.

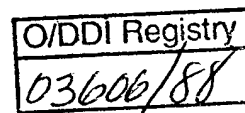
4. Based upon the foregoing, I make the following certification:

"To the best of my knowledge, the activities taking place during FY-1988 within the Directorate of Administration have been appropriately approved and carried out in accordance with law and Agency regulations. Obligations are valid and are supported in accordance with Agency regulations. Expenditures have been properly approved. Due care has been exercised to protect resources from misuse and misappropriation. Activities have been managed in an efficient and effective manner. Internal accounting and administrative controls are operational and effective."

R. M. Huffstutler

STAT

ADMINISTRATIVE - INTERNAL USE ONLY



15 NOV 1988

MEMORANDUM FOR: Executive Director

VIA: Deputy Director for Administration

FROM: Richard J. Kerr
Deputy Director for Intelligence

SUBJECT: Federal Managers' Financial Integrity Act

REFERENCE: Internal Accounting and Administrative
Control Systems

STAT

1. As required by reference, I have had an assessment made of the operation of the internal accounting and administrative controls for all activities for which I am responsible.

2. In making that assessment, I asked that full consideration, as required by paragraph e(1)(a) of reference be given to the substance of findings of internal management reviews, staff reporting, audit or inspection reports received during the year, and of reported preliminary findings of significance from reviews, audits, or inspections in process. Particular attention was to be given to any findings related to:

- a. Alleged waste, loss, unauthorized use, or misappropriation of resources, and
- b. Activities or proposed activities perceived to raise possible question of compliance with law, Executive Order, or regulation or that may otherwise appear improper.

3. Based upon the foregoing, I make the following certification:

"To the best of my knowledge, the activities taken place during FY88 within the Directorate of Intelligence have been appropriately approved and carried out in accordance with law and Agency regulations. Obligations are valid and are supported in accordance with Agency regulations. Expenditures have been properly approved. Due care has been exercised to protect resources from misuse and misappropriation. Activities have been managed in an efficient and effective manner. Internal accounting and administrative controls are operational and effective."

Richard J. Kerr

STAT

ADMINISTRATIVE - INTERNAL USE ONLY

S E C R E T

DD/088-2637

22 NOV 1988

MEMORANDUM FOR: Executive Director

VIA: Deputy Director for Administration

FROM: Richard F. Stolz
Deputy Director for Operations

SUBJECT: Federal Managers' Financial Integrity Act

REFERENCE: [] Internal Accounting and
Administrative Control Systems

25X1

1. As required by reference I have assessed the operation of the internal accounting and administrative controls for all activities for which I am responsible. During FY 1988 certain weaknesses were detected in controls relating to the NSC mandated Cambodia program. Also problems were found with the structure and application of administrative plans and fiscal annexes providing internal accounting controls. In both instances, the problems have been corrected and appropriate internal accounting and administrative controls confirmed.

2. To the best of my knowledge, the activities taking place during FY 1988 within the Directorate of Operations have been appropriately approved and carried out in accordance with law and Agency regulations. Obligations are valid and are supported in accordance with Agency regulations. Expenditures have been properly approved. Due care has been exercised to protect resources from misuse and misappropriation. Activities have been managed in an efficient and effective manner. Internal accounting and administrative controls are operational and effective.

[]

Richard F. Stolz

25X1

S E C R E T

[]

25X1

ADMINISTRATIVE - INTERNAL USE ONLY

The Director of Central Intelligence

Washington, D.C. 20505

National Intelligence Council

NIC 03274-88
15 November 1988

MEMORANDUM FOR: Executive Director

VIA: Deputy Director for Administration

FROM: Vice Chairman

STAT

SUBJECT: Federal Managers' Financial Integrity Act

REFERENCE: Internal Accounting and Administrative Control
Systems

STAT

1. As required by reference, I have made an assessment of the operation of the internal accounting and administrative controls for all activities for which I am responsible.

2. In making that assessment, I have given full consideration, as required by paragraph e(1)(a) of reference, to the substance of findings of internal management reviews, staff reporting, audit or inspection reports received during the year, and of reported preliminary findings of significance from reviews, audits, or inspections in process. Particular attention has been given to any findings relating to:

(a) Alleged waste, loss, unauthorized use, or misappropriation of resources, and

(b) Activities or proposed activities perceived to raise possible question of compliance with law, Executive Order, or regulation or that may otherwise appear improper.

3. None of the findings resulted in identification of a control weakness of sufficient materiality to warrant reporting as a material weakness in internal accounting and administrative controls.

ADMINISTRATIVE - INTERNAL USE ONLY

ADMINISTRATIVE - INTERNAL USE ONLY

4. Based upon the foregoing, I make the following certification:

"To the best of my knowledge, the activities taking place during FY-88 within the National Intelligence Council have been appropriately approved and carried out in accordance with law and Agency regulations. Obligations are valid and are supported in accordance with Agency regulations. Expenditures have been properly approved. Due care has been exercised to protect resources from misuse and misappropriation. Activities have been managed in an efficient and effective manner. Internal accounting and administrative controls are operational and effective."



STAT

Distribution:

- 1 - Addressee
- 1 - DCI/AO
- 1 - NIC/AO

ADMINISTRATIVE - INTERNAL USE ONLY

CONFIDENTIAL

COMPT 88-1782

7 November 1988

MEMORANDUM FOR: Executive Director

VIA: Deputy Director for Administration

FROM: Leo Hazlewood
Comptroller

SUBJECT: Federal Managers' Financial Integrity Act

REFERENCE: Internal Accounting and Administrative Control
Systems

25X1

1. As required under I have assessed the operation of the internal accounting and administrative controls for all activities for which I am responsible.

25X1

25X1

2. In making that assessment, I have given full consideration, as required by paragraph e(1) (a) of reference, to the substance of findings of internal management reviews, staff reporting, audit or inspection reports received during the year, and of reported preliminary findings of significance from reviews, audits, or inspections in process. Particular attention has been given to any findings relating to:

- Alleged waste, loss, unauthorized use, or misappropriation of resources.
- Activities or proposed activities perceived to raise possible question of compliance with law, Executive Order, or regulation or that may otherwise appear improper.

25X1

3. None of the findings identified of a material weakness in internal accounting and administrative controls.

25X1

 25X1

CONFIDENTIAL

CONFIDENTIAL

4. Accordingly, I certify that:

To the best of my knowledge, the activities taking place during FY 1988 within the Office of the Comptroller have been appropriately approved and carried out in accordance with law and Agency regulations. Obligations are valid and are supported in accordance with Agency regulations. Expenditures have been properly approved. Due care has been exercised to protect resources from misuse and misappropriation. Activities have been managed in an efficient and effective manner. Internal accounting and administrative controls are operational and effective.

25X1

25X1

Leo Hazlewood

ADMINISTRATIVE - INTERNAL USE ONLY

DDA SUBJECT FILE COPY

DS&T-1035~~x~~88

27 OCT 1988

MEMORANDUM FOR: Executive Director

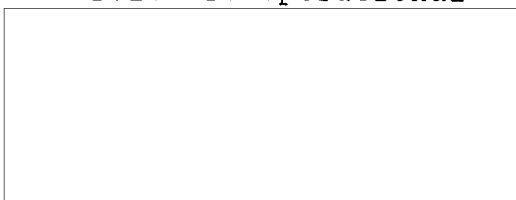
THROUGH: Deputy Director for Administration

FROM: R. E. Hineman
Deputy Director for Science and Technology

SUBJECT: Federal Managers' Financial Integrity Act

To the best of my knowledge, the activities taking place during FY-88 within the Directorate of Science and Technology have been appropriately approved and carried out in accordance with law and Agency regulations. Obligations are valid and are supported in accordance with Agency regulations. Expenditures have been properly approved. Due care has been exercised to protect resources from misuse and misappropriation. Activities have been managed in an efficient and effective manner. Internal accounting and administrative controls are operational and effective.

STAT



R. E. Hineman

30-12



ADMINISTRATIVE - INTERNAL USE ONLY

15 November 1988

MEMORANDUM FOR: Executive Director

THROUGH: Deputy Director for Administration

FROM: Director of Congressional Affairs

SUBJECT: Federal Managers' Financial Integrity Act

REFERENCE: Internal Accounting and
Administrative Control Systems

STAT

1. As required by reference, I have made an assessment of the operation of the internal accounting and administrative controls for all activities for which I am responsible.

2. In making that assessment, I have given full consideration, as required by paragraph e(1)(a) of reference, to the substance of findings of internal management reviews, staff reporting, audit or inspection reports received during the year, and of reported preliminary findings of significance from reviews, audits, or inspections in process. Particular attention has been given to any findings relating to:

- (a) Alleged waste, loss, unauthorized use, or misappropriation of resources, and
- (b) Activities or proposed activities perceived to raise possible question of compliance with law, Executive Order, or regulation or that may otherwise appear improper.

3. None of the findings resulted in identification of a control weakness of sufficient materiality to warrant reporting as a material weakness in internal accounting and administrative controls.

4. Based upon the foregoing, I make the following certification:

To the best of my knowledge, the activities taking place during FY88 within the Office of Congressional Affairs have been appropriately approved and carried out in accordance with law and Agency regulations. Obligations are valid and are supported in accordance with Agency regulations. Expenditures have been properly approved. Due care has been exercised to protect resources from misuse and misappropriation. Activities have been managed in an efficient and effective manner. Internal accounting and administrative controls are operational and effective.

STAT

Director of Congressional Affairs

C O N F I D E N T I A L

23 NOV 1988

MEMORANDUM FOR: Executive Director

THROUGH: Deputy Director for Administration

FROM: Russell J. Bruemmer
General Counsel

SUBJECT: Federal Managers' Financial Integrity Act

REFERENCE: Internal Accounting and
Administrative Control Systems

25X1

1. As required by reference, I have made an assessment of the operation of the internal accounting and administrative controls for all activities for which I am responsible.

2. In making that assessment, I have given full consideration, as required by paragraph e(1) (a) of reference, to the substance of findings of internal management reviews, staff reporting, audit or inspection reports received during the year, and of reported preliminary findings of significance from reviews, audits, or inspections in process. Particular attention has been given to any findings relating to:

(a) Alleged waste, loss, unauthorized use, or misappropriation of resources, and

(b) Activities or proposed activities perceived to raise possible question of compliance with law, Executive Order, or regulation or that may otherwise appear improper.

3. None of the findings resulted in identification of a control weakness of sufficient materiality to warrant reporting as a material weakness in internal accounting and administrative controls.


C O N F I D E N T I A L

C O N F I D E N T I A L

4. Based upon the foregoing, I make the following certification:

To the best of my knowledge, the activities taking place during FY88 within the Office of General Counsel have been appropriately approved and carried out in accordance with law and Agency regulations. Obligations are valid and are supported in accordance with Agency regulations. Expenditures have been properly approved. Due care has been exercised to protect resources from misuse and misappropriation. Activities have been managed in an efficient and effective manner. Internal accounting and administrative controls are operational and effective."

25X1


Russell J. Bruemmer

C O N F I D E N T I A L

CONFIDENTIAL

IG 88-1160

14 November 1988

MEMORANDUM FOR: Executive Director

FROM: William F. Donnelly
Inspector General

SUBJECT: Federal Managers' Financial Integrity Act

REFERENCE: [REDACTED] 25X1

1. As required by [REDACTED] I have reviewed the internal accounting and administrative controls for all activities for which I am directly responsible. To the best of my knowledge, the activities undertaken by the Office of the Inspector General in FY 1988 have been approved and conducted in accordance with law and Agency regulations. 25X1

2. Our obligations are valid and supported in accordance with Agency regulations. Expenditures have been properly approved. Due care has been exercised to protect resources from misuse and misappropriation. In my judgment, all activities have been managed in an efficient and effective manner. Internal accounting and administrative controls are in effect and they are sound.

3. During the course of the year, our inspections and audits have focused on various problems in other components of the Agency that might bear on [REDACTED] Any issues that may have been raised during the inspections and audits have been pursued with the appropriate components. 25X1

[REDACTED] 25X1
William F. Donnelly (All portions
classified CONFIDENTIAL.CL BY Signer
DECL OADR

CONFIDENTIAL

CONFIDENTIAL

16 November 1988

MEMORANDUM FOR: Executive Director

THROUGH: Deputy Director for Administration

FROM:
Administrative Officer, DCI

25X1

SUBJECT: Internal Accounting and Administrative Control
Systems

25X1

1. As required by reference, I have made an assessment of the operation of the internal accounting and administrative controls for all activities for which I am responsible.

2. In making that assessment I have given full consideration, as required by paragraph e(1)(a) of reference, to the substance of findings of internal management reviews, staff reporting, audit or inspection reports received during the year, and of reported preliminary findings of significance from reviews, audits, or inspections in process. Particular attention has been given to any findings relating to:

(a) Alleged waste, loss, unauthorized use, misappropriation of resources, and

(b) Activities or proposed activities preceived to raise possible question of compliance with law, Executive Order, or regulation or that may otherwise appear improper.

3. None of the findings resulted in identification of a control weakness of sufficient materiality to warrant reporting as a material weakness in internal accounting and administrative controls.

25X1

CONFIDENTIAL

CONFIDENTIAL

SUBJECT: Internal Accounting and Administrative Control Systems

25X1

4. Based upon the foregoing, I make the following certification:

"To the best of my knowledge, the activities taking place during FY 88 within Office of the Director Central Intelligence have been appropriately approved and carried out in accordance with law and Agency regulations. Obligations are valid and are supported in accordance with Agency regulations. Expenditures have been properly approved. Due care has been exercised to protect resources from misuse and misappropriation. Activities have been managed in an efficient and effective manner. Internal accounting and administrative controls are operational and effective."

25X1

CONFIDENTIAL

CONFIDENTIAL

9 November 1988

MEMORANDUM FOR: Executive Director
THROUGH: Deputy Director for Administration
FROM: Director, Public Affairs Office
SUBJECT: Federal Managers' Financial Integrity Act
REFERENCE: [] Internal Accounting and Administrative Control Systems

25X1

1. As required by reference, I have made an assessment of the operation of the internal accounting and administrative controls for all activities for which I am responsible.

2. In making that assessment, I have given full consideration, as required by paragraph e(1) (a) of reference, to the substance of findings of internal management reviews, staff reporting, audit or inspection reports received during the year, and of reported preliminary findings of significance from reviews, audits, or inspections in process. Particular attention has been given to any findings relating to:

(a) Alleged waste, loss, unauthorized use, or misappropriation of resources, and

(b) Activities or proposed activities perceived to raise possible question of compliance with law, Executive Order, or regulation or that may otherwise appear improper.

3. None of the findings resulted in identification of a control weakness of sufficient materiality to warrant reporting as a material weakness in internal accounting and administrative controls.

CONFIDENTIAL

CONFIDENTIAL

4. Based upon the foregoing, I make the following certification:

To the best of my knowledge, the activities taking place during FY 88 within the Public Affairs Office have been appropriately approved and carried out in accordance with law and Agency regulations. Obligations are valid and are supported in accordance with Agency regulations. Expenditures have been properly approved. Due care has been exercised to protect resources from misuse and misappropriation. Activities have been managed in an efficient and effective manner. Internal accounting and administrative controls are operational and effective."



DIRECTOR, PUBLIC AFFAIRS

25X1

CONFIDENTIAL

SUBJECT: Report to The President

C/PES/ (Dec 2 88)

STAT

Distribution:

- Orig. - Addressee
- 2 - DDA
- 1 - Executive Registry
- 1 - IG
- 1 - OCA
- 1 - D/OFM
- 1 - C/PES/OFM

Central Intelligence Agency



Washington, D.C. 20505

30 December 1988

The Honorable Louis Stokes
Chairman
Permanent Select Committee on Intelligence
House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

As required by the Federal Managers' Financial Integrity Act of 1982 (P.L. 97-255), this is my report to you on the systems of internal accounting and administrative controls of the Central Intelligence Agency (CIA), the Intelligence Community Staff (ICS), and the Systems Integration Office (SIO) in effect for Fiscal Year 1988.

An evaluation of these systems was performed in reasonable accordance with the guidelines issued by the Office of Management and Budget. Senior officials in reporting the results of their respective evaluations were required to also evaluate the substance of findings of internal management reviews, staff reporting, and audit or inspection reports. No material weakness in Agency systems of internal accounting and administrative controls was identified in any of these evaluations.

I am satisfied based upon the written certifications of responsible senior officials and evaluations of the findings of inspections and audits by the Office of the Inspector General that the CIA, ICS, and SIO systems of internal accounting and administrative controls provide reasonable assurance that:

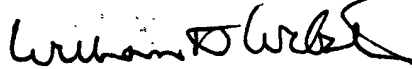
- (a) obligations and costs comply with applicable law;
- (b) all assets are safeguarded against waste, loss, unauthorized use, and misappropriation; and
- (c) revenues and expenditures applicable to Agency operations are recorded and accounted for properly so that accounts and reliable financial and statistical reports may be prepared and accountability of the assets may be maintained.

The Honorable Louis Stokes

I further report to you that, to the best of my knowledge based upon the evaluation and written assurance of the responsible senior official, the accounting system of the Agency, which also supports ICS and SIO, substantially conforms with the principles, standards, and requirements prescribed by the Comptroller General.

Statements similar to this one are being provided to The President and the Chairman of the Senate Select Committee on Intelligence.

Sincerely yours,

A handwritten signature in dark ink, appearing to read "William H. Webster", with a long, sweeping horizontal stroke extending to the right.

William H. Webster
Director of Central Intelligence

Page Denied

Next 3 Page(s) In Document Denied